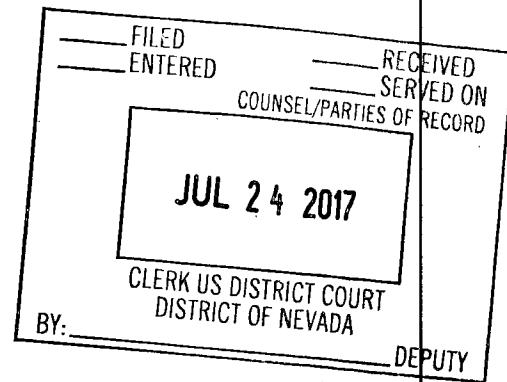


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**2:17-cv-02000-APG-GWF**

15 **UNITED STATES DISTRICT COURT**

16 **DISTRICT OF NEVADA**

17 FEDERAL TRADE COMMISSION, )  
 Plaintiff, ) Case No:  
 18 )  
 v. )  
 19 REVMOUNTAIN, LLC, a Nevada limited ) FILED UNDER SEAL  
 20 liability company, )  
 21 ROADRUNNER B2C, LLC, also d/b/a )  
 REVGO, a Nevada limited liability company, )  
 22 WAVE ROCK, LLC, a Nevada limited ) COMPLAINT FOR PERMANENT  
 23 liability company, ) INJUNCTION AND OTHER  
 24 JUNIPER SOLUTIONS, LLC, a Nevada ) EQUITABLE RELIEF  
 25 limited liability company, )  
 26 JASPER WOODS, LLC, a Nevada limited )  
 27 liability company, )  
 WHEELER PEAK MARKETING, LLC, a )

1 Nevada limited liability company, )  
2 ROIRUNNER, LLC, a Nevada limited )  
liability company, )  
3 CHERRY BLITZ, LLC, a Nevada limited )  
liability company, )  
4 FLAT IRON AVENUE, LLC, a Nevada )  
limited liability company, )  
5 ABSOLUTELY WORKING, LLC, a Nevada )  
limited liability company, )  
6 THREE LAKES, LLC, a Nevada limited )  
liability company, )  
7 BRIDGE FORD, LLC, a Nevada limited )  
liability company, )  
8 HOW AND WHY, LLC, a Nevada limited )  
liability company, )  
9 SPRUCE RIVER, LLC, a Nevada limited )  
liability company, )  
10 TRIMXT, LLC, a Nevada limited liability )  
company, )  
11 ELATION WHITE, LLC, a Nevada limited )  
liability company, )  
12 IVORYPRO, LLC, a Nevada limited liability )  
company, )  
13 DOING WHAT'S POSSIBLE, LLC, a )  
Nevada limited liability company, )  
14 REVGUARD, LLC, a Colorado limited )  
liability company, )  
15 REV LIVE!, LLC, a Colorado limited liability )  
company, )  
16 BLUE ROCKET BRANDS, LLC, a )  
Colorado limited liability company, )  
17 CONVERTIS, LLC, a Colorado limited )  
liability company, )  
18 CONVERTIS MARKETING, LLC, a )  
Colorado limited liability company, )  
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1 TURTLE MOUNTAINS, LLC, a Colorado )  
2 limited liability company, )  
3 BOULDER BLACK DIAMOND, LLC, a )  
4 Colorado limited liability company, )  
5 MINT HOUSE, LLC, a Colorado limited )  
6 liability company, )  
7 THUNDER AVENUE, LLC, a Colorado )  
8 limited liability company, )  
9 UNIVERSITY & FOLSOM, LLC, a )  
10 Colorado limited liability company, )  
11 BOULDER CREEK INTERNET )  
12 SOLUTIONS, INC., a Colorado corporation, )  
13 WALNUT STREET MARKETING, INC., a )  
14 Colorado corporation, )  
15 SNOW SALE, LLC, a Colorado limited )  
16 liability company, )  
17 BRAND FORCE, LLC, a Colorado limited )  
18 liability company, )  
19 WILD FARMS, LLC, a Colorado limited )  
20 liability company, )  
21 SALAMONIE RIVER, LLC, an Indiana )  
22 limited liability company, )  
23 INDIGO SYSTEMS, LLC, an Indiana )  
24 limited liability company, )  
25 NIGHT WATCH GROUP, LLC, an Indiana )  
26 limited liability company, )  
27 NEWPORT CROSSING, LLC, an Indiana )  
28 limited liability company, )  
ANASAZI MANAGEMENT PARTNERS, )  
LLC, a Wyoming limited liability company, )  
HONEY LAKE, LLC, a Wyoming limited )  
liability company, )

1 CONDOR CANYON, LLC, a Wyoming )  
2 limited liability company, )  
3 BRASS TRIANGLE, LLC, an Arizona )  
4 limited liability company, )  
5 SOLID ICE, LLC, an Arizona limited )  
6 liability company, )  
7 SANDSTONE BEACH, LLC, an Arizona )  
8 limited liability company, )  
9 DESERT GECKO, LLC, an Arizona limited )  
10 liability company, )  
11 BLIZZARDWHITE, LLC, an Arizona )  
12 limited liability company, )  
13 ACTION PRO WHITE, LLC, an Arizona )  
14 limited liability company, )  
15 FIRST CLASS WHITENING, LLC, an )  
16 Arizona limited liability company, )  
17 SPARK WHITENING, LLC, an Arizona )  
18 limited liability company, )  
19 TITANWHITE, LLC, an Arizona limited )  
20 liability company, )  
21 DENTAL PRO AT HOME, LLC, an Arizona )  
22 limited liability company, )  
23 SMILE PRO DIRECT, LLC, an Arizona )  
24 limited liability company, )  
25 CIRCLE OF YOUTH SKINCARE, LLC, an )  
26 Arizona limited liability company, )  
27 DERMAGLAM, LLC, an Arizona limited )  
28 liability company, )  
28 SEDONA BEAUTY SECRETS, LLC, an )  
29 Arizona limited liability company, )  
29 BELLAATHOME, LLC, an Arizona limited )  
30 liability company, )  
30 SKINNYIQ, LLC, an Arizona limited )  
31 liability company, )  
31 BODY TROPICAL, LLC, an Arizona limited )

1 liability company, )  
2 BLAIR MCNEA, individually and as an )  
officer of REVGUARD, LLC, )  
3 DANIELLE FOSS, individually and as an )  
officer of BLUE ROCKET BRANDS, LLC )  
and CONVERTIS, LLC, )  
5 and )  
6 JENNIFER JOHNSON, individually and as )  
an officer of REVMOUNTAIN, LLC, )  
7 Defendants. )  
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10 Plaintiff, the Federal Trade Commission (“FTC” or “Commission”), for its  
11 Complaint alleges:

12 1. The FTC brings this action under Section 13(b) of the Federal Trade Commission Act  
13 (“FTC Act”), 15 U.S.C. § 53(b), and Section 5 of the Restore Online Shoppers’ Confidence  
14 Act (“ROSCA”), 15 U.S.C. § 8404, to obtain permanent injunctive relief, rescission or  
15 reformation of contracts, restitution, the refund of monies paid, disgorgement of ill-gotten  
16 monies, and other equitable relief for Defendants’ acts or practices in violation of Section  
17 5(a) of the FTC Act, 15 U.S.C. § 45(a), and Section 4 of ROSCA, 15 U.S.C. § 8403, in  
18 connection with Defendants’ online marketing of personal care products.

19 **JURISDICTION AND VENUE**

20 2. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1337(a) and 1345;  
21 15 U.S.C. §§ 45(a) and 53(b); and Section 5(a) of ROSCA, 15 U.S.C. § 8404(a).  
22 3. Venue is proper in this district under 28 U.S.C. §§ 1391(b)(2), (b)(3), (c)(2), and (c)(3), and  
23 15 U.S.C. § 53(b).

24 **PLAINTIFF**

25 4. The FTC is an independent agency of the United States Government created by statute. 15  
26 U.S.C. §§ 41-58. The FTC enforces Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which  
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prohibits unfair or deceptive acts or practices in or affecting commerce. The FTC also enforces ROSCA, 15 U.S.C. §§ 8401-8405. ROSCA prohibits the sale of goods or services on the Internet through negative option marketing without meeting certain requirements to protect consumers. A negative option is an offer in which the seller treats a consumer's silence – their failure to reject an offer or cancel an agreement – as consent to be charged for goods or services.

5. The FTC is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act and ROSCA and to secure such equitable relief as may be appropriate in each case, including rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies. 15 U.S.C. §§ 53(b), 56(a)(2)(A), and 8404.

#### DEFENDANTS

6. Defendant RevMountain, LLC, is a Nevada limited liability company with its principal place of business at 7251 West Lake Mead Boulevard, Suite 310, Las Vegas, Nevada. RevMountain transacts or has transacted business in this district and throughout the United States.
7. Defendant RoadRunner B2C, LLC, d/b/a RevGo, is a Nevada limited liability company with its principal place of business at 1712 Pioneer Ave., Suite 459, Cheyenne, Wyoming. RoadRunner B2C transacts or has transacted business in this district and throughout the United States.
8. Defendant Wave Rock, LLC, is a Nevada limited liability company with its principal place of business at 1712 Pioneer Ave., Suite 528, Cheyenne, Wyoming. Wave Rock transacts or has transacted business in this district and throughout the United States.
9. Defendant Juniper Solutions, LLC, is a Nevada limited liability company with its principal place of business at 1712 Pioneer Ave., Suite 459, Cheyenne, Wyoming. Juniper Solutions transacts or has transacted business in this district and throughout the United States.

- 1 10. Defendant Jasper Woods, LLC, is a Nevada limited liability company with its principal  
2 place of business at 7455 Arroyo Crossing, Suite 220, Las Vegas, Nevada. Jasper Woods  
3 transacts or has transacted business in this district and throughout the United States.
- 4 11. Defendant Wheeler Peak Marketing, LLC, is a Nevada limited liability company with its  
5 principal place of business at 1712 Pioneer Ave., Suite 528, Cheyenne, Wyoming. Wheeler  
6 Peak Marketing transacts or has transacted business in this district and throughout the  
7 United States.
- 8 12. Defendant ROIRunner, LLC, is a Nevada limited liability company with its principal place  
9 of business at 410 Rampart Boulevard, Suite 390, Las Vegas, Nevada. ROIRunner transacts  
10 or has transacted business in this district and throughout the United States.
- 11 13. Defendant Cherry Blitz, LLC, is a Nevada limited liability company with its principal place  
12 of business at 7565 Commercial Way, Unit E, Henderson, Nevada. Cherry Blitz transacts or  
13 has transacted business in this district and throughout the United States.
- 14 14. Defendant Flat Iron Avenue, LLC, is a Nevada limited liability company with its principal  
15 place of business 2850 West Horizon Ridge Parkway, Suite 200, Henderson, Nevada. Flat  
16 Iron Avenue transacts or has transacted business in this district and throughout the United  
17 States.
- 18 15. Defendant Absolutely Working, LLC, is a Nevada limited liability company with its  
19 principal place of business at 5310 NE County Line Road, Erie, Colorado. Absolutely  
20 Working transacts or has transacted business in this district and throughout the United  
21 States.
- 22 16. Defendant Three Lakes, LLC, is a Nevada limited liability company with its principal place  
23 of business at 200 S. Virginia St., 8th Floor, Reno, Nevada. Three Lakes transacts or has  
24 transacted business in this district and throughout the United States.
- 25 17. Defendant Bridge Ford, LLC, is a Nevada limited liability company with its principal place  
26 of business at 1780 Washington St., #304, Denver, Colorado. Bridge Ford transacts or has  
27 transacted business in this district and throughout the United States.

- 1 18. Defendant How and Why, LLC, is a Nevada limited liability company with its principal  
2 place of business at 2850 West Horizon Ridge Parkway, Suite 200, Henderson, Nevada.  
3 How and Why transacts or has transacted business in this district and throughout the United  
4 States.
- 5 19. Defendant Spruce River, LLC, is a Nevada limited liability company with its principal place  
6 of business at 6671 South Las Vegas Boulevard, Building D, Suite 210, Las Vegas, Nevada.  
7 Spruce River transacts or has transacted business in this district and throughout the United  
8 States.
- 9 20. Defendant TrimXT, LLC, is a Nevada limited liability company with its principal place of  
10 business at 170 S. Green Valley Parkway, Suite 300, Henderson, Nevada. TrimXT transacts  
11 or has transacted business in this district and throughout the United States.
- 12 21. Defendant Elation White, LLC, is a Nevada limited liability company with its principal  
13 place of business at 170 South Green Valley Parkway, Suite 300, Henderson, Nevada.  
14 Elation White transacts or has transacted business in this district and throughout the United  
15 States.
- 16 22. Defendant IvoryPro, LLC, is a Nevada limited liability company with its principal place of  
17 business at 170 S. Green Valley Parkway, Suite 300, Henderson, Nevada. Ivory Pro  
18 transacts or has transacted business in this district and throughout the United States.
- 19 23. Defendant Doing What's Possible, LLC, is a Nevada limited liability company with its  
20 principal place of business at 170 S. Green Valley Parkway, Suite 300, Henderson, Nevada.  
21 Doing What's Possible transacts or has transacted business in this district and throughout  
22 the United States.
- 23 24. Defendant RevGuard, LLC, is a Colorado limited liability company with its principal place  
24 of business at 6260 Lookout Road, Boulder, Colorado. RevGuard transacts or has  
25 transacted business in this district and throughout the United States.
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- 1 25. Defendant RevLive!, LLC, is a Colorado limited liability company with its principal place  
2 of business at 2011 Cherry Street, Suite 202, Louisville, Colorado. RevLive! transacts or  
3 has transacted business in this district and throughout the United States.
- 4 26. Defendant Blue Rocket Brands, LLC, is a Colorado limited liability company with its  
5 principal place of business at 2011 Cherry Street, Suite 202, Louisville, Colorado. Blue  
6 Rocket Brands transacts or has transacted business in this district and throughout the United  
7 States.
- 8 27. Defendant Convertis, LLC, is a Colorado limited liability company with its principal place  
9 of business at 6260 Lookout Road, Boulder, Colorado. Convertis transacts or has transacted  
10 business in this district and throughout the United States.
- 11 28. Defendant Convertis Marketing, LLC, is a Colorado limited liability company with its  
12 principal place of business at 6260 Lookout Road, Boulder, Colorado. Convertis Marketing  
13 transacts or has transacted business in this district and throughout the United States.
- 14 29. Defendant Turtle Mountains, LLC, is a Colorado limited liability company with its principal  
15 place of business at 6331 Snowberry Lane, Niwot, Colorado. Turtle Mountains transacts or  
16 has transacted business in this district and throughout the United States.
- 17 30. Defendant Boulder Black Diamond, LLC, is a Colorado limited liability company with its  
18 principal place of business at 6331 Snowberry Lane, Niwot, Colorado. Boulder Black  
19 Diamond transacts or has transacted business in this district and throughout the United  
20 States.
- 21 31. Defendant Mint House, LLC, is a Colorado limited liability company with its principal  
22 place of business at 9233 Park Meadows Drive, Lone Tree, Colorado. Mint House transacts  
23 or has transacted business in this district and throughout the United States.
- 24 32. Defendant Thunder Avenue, LLC, is a Colorado limited liability company with its principal  
25 place of business at 100 Fillmore Street, Floor 5, Denver, Colorado. Thunder Avenue  
26 transacts or has transacted business in this district and throughout the United States.
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- 1 33. Defendant University & Folsom, LLC, is a Colorado limited liability company with its  
2 principal place of business at 9800 Mount Pyramid Court, Suite 400, Englewood, Colorado.  
3 University & Folsom transacts or has transacted business in this district and throughout the  
4 United States.
- 5 34. Defendant Boulder Creek Internet Solutions, Inc., is a Colorado corporation with its  
6 principal place of business at 390 Interlocken Crescent, 3rd Floor, Broomfield, Colorado.  
7 Boulder Creek Internet Solutions transacts or has transacted business in this district and  
8 throughout the United States.
- 9 35. Defendant Walnut Street Marketing, Inc., is a Colorado corporation with its principal place  
10 of business at 11001 West 120th Avenue, Suite 400, Broomfield, Colorado. Walnut Street  
11 Marketing transacts or has transacted business in this district and throughout the United  
12 States.
- 13 36. Defendant Snow Sale, LLC, is a Colorado limited liability company with its principal place  
14 of business at 4845 Pearl East Circle, Suite 101, Boulder, Colorado. Snow Sale transacts or  
15 has transacted business in this district and throughout the United States.
- 16 37. Defendant Brand Force, LLC, is a Colorado limited liability company with its principal  
17 place of business at 357 S. McCaslin Boulevard, Suite 200, Louisville, Colorado. Brand  
18 Force transacts or has transacted business in this district and throughout the United States.
- 19 38. Defendant Wild Farms, LLC, is a Colorado limited liability company with its principal  
20 place of business at 2 West Dry Creek Circle, Suite 100, Littleton, Colorado. Wild Farms  
21 transacts or has transacted business in this district and throughout the United States.
- 22 39. Defendant Salamonie River, LLC, is an Indiana limited liability company with its principal  
23 place of business at 9465 Counselors Row, Suite 200, Indianapolis, Indiana. Salamonie  
24 River transacts or has transacted business in this district and throughout the United States.
- 25 40. Defendant Indigo Systems, LLC, is an Indiana limited liability company with its principal  
26 place of business at 8888 Keystone Crossing Suite 1300, Indianapolis, Indiana. Indigo  
27 Systems transacts or has transacted business in this district and throughout the United States.

- 1    41. Defendant Night Watch Group, LLC is an Indiana limited liability company with its
- 2        principal place of business at 450 E. 96th St., Suite 500, Indianapolis, Indiana. Night Watch
- 3        Group transacts or has transacted business in this district and throughout the United States.
- 4    42. Defendant Newport Crossing, LLC, is an Indiana limited liability company with its principal
- 5        place of business at 3815 River Crossing Parkway, Suite 100, Indianapolis, Indiana.
- 6        Newport Crossing transacts or has transacted business in this district and throughout the
- 7        United States.
- 8    43. Defendant Greenville Creek, LLC, is an Indiana limited liability company with its principal
- 9        place of business at 201 North Illinois Street, 16th Floor, South Tower, Indianapolis,
- 10      Indiana. Greenville Creek transacts or has transacted business in this district and throughout
- 11      the United States.
- 12    44. Defendant Brookville Lane, LLC, is an Indiana limited liability company with its principal
- 13        place of business at 10475 Crosspoint Boulevard, Suite 250, Indianapolis, Indiana.
- 14        Brookville Lane transacts or has transacted business in this district and throughout the
- 15        United States.
- 16    45. Defendant Anasazi Management Partners, LLC, is a Wyoming limited liability company
- 17        with its principal place of business at 1712 Pioneer Ave., Suite 251, Cheyenne, Wyoming.
- 18        Anasazi Management Partners transacts or has transacted business in this district and
- 19        throughout the United States.
- 20    46. Defendant Honey Lake, LLC, is a Wyoming limited liability company with its principal
- 21        place of business at 1712 Pioneer Ave., Suite 528, Cheyenne, Wyoming. Honey Lake
- 22        transacts or has transacted business in this district and throughout the United States.
- 23    47. Defendant Condor Canyon, LLC, is a Wyoming limited liability company with its principal
- 24        place of business at 1712 Pioneer Ave., Suite 459, Cheyenne, Wyoming. Condor Canyon
- 25        transacts or has transacted business in this district and throughout the United States.

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- 1       48. Defendant Brass Triangle, LLC, is an Arizona limited liability company with its principal  
2       place of business 4600 East Washington Street, Suite 300 Phoenix, Arizona. Brass Triangle  
3       transacts or has transacted business in this district and throughout the United States.
- 4       49. Defendant Solid Ice, LLC, is an Arizona limited liability company with its principal place of  
5       business at 1910 S. Stapley Drive, Suite 221, Mesa, Arizona. Solid Ice transacts or has  
6       transacted business in this district and throughout the United States.
- 7       50. Defendant Sandstone Beach, LLC, is an Arizona limited liability company with its principal  
8       place of business at 3420 East Shea Blvd., Suite 200, Phoenix, Arizona. Sandstone Beach  
9       transacts or has transacted business in this district and throughout the United States.
- 10      51. Defendant Desert Gecko, LLC, is an Arizona limited liability company with its principal  
11      place of business at 1 East Washington Street, Suite 500, Phoenix, Arizona. Desert Gecko  
12      transacts or has transacted business in this district and throughout the United States.
- 13      52. Defendant Blizzardwhite, LLC, is an Arizona limited liability company with its principal  
14      place of business at 7702 East Doubletree Ranch Road, #300, Scottsdale, Arizona. Blizzard  
15      White transacts or has transacted business in this district and throughout the United States.
- 16      53. Defendant Action Pro White, LLC, is an Arizona limited liability company with its principal  
17      place of business at 7702 East Doubletree Ranch Road, Suite 300, Scottsdale, Arizona.  
18      Action Pro White transacts or has transacted business in this district and throughout the  
19      United States.
- 20      54. Defendant First Class Whitening, LLC, is an Arizona limited liability company with its principal  
21      place of business at 7702 East Doubletree Ranch Road, Suite 300, Scottsdale,  
22      Arizona. First Class Whitening transacts or has transacted business in this district and  
23      throughout the United States.
- 24      55. Defendant Spark Whitening, LLC, is an Arizona limited liability company with its principal  
25      place of business at 7702 East Doubletree Ranch Road, Suite 300, Scottsdale, Arizona.  
26      Spark Whitening transacts or has transacted business in this district and throughout the  
27      United States.
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- 1 56. Defendant Titanwhite, LLC, is an Arizona limited liability company with its principal place  
2 of business at 7702 East Doubletree Ranch Road, #300, Scottsdale, Arizona. Titanwhite  
3 transacts or has transacted business in this district and throughout the United States.
- 4 57. Defendant Dental Pro At Home, LLC, is an Arizona limited liability company with its  
5 principal place of business at 7702 East Doubletree Ranch Road, #300, Scottsdale, Arizona.  
6 Dental Pro At Home transacts or has transacted business in this district and throughout the  
7 United States.
- 8 58. Defendant Smile Pro Direct, LLC, is an Arizona limited liability company with its principal  
9 place of business at 7702 East Doubletree Ranch Road, #300, Scottsdale, Arizona. Smile  
10 Pro Direct transacts or has transacted business in this district and throughout the United  
11 States.
- 12 59. Defendant Circle of Youth Skincare, LLC, is an Arizona limited liability company with its  
13 principal place of business at 7702 East Doubletree Ranch Road, #300, Scottsdale, Arizona.  
14 Circle of Youth Skincare transacts or has transacted business in this district and throughout  
15 the United States.
- 16 60. Defendant DermaGlam, LLC, is an Arizona limited liability company with its principal  
17 place of business at 7702 East Doubletree Ranch Road, #300, Scottsdale, Arizona.  
18 DermaGlam transacts or has transacted business in this district and throughout the United  
19 States.
- 20 61. Defendant Sedona Beauty Secrets, LLC, is an Arizona limited liability company with its  
21 principal place of business at 7702 East Doubletree Ranch Road, #300, Scottsdale, Arizona.  
22 Sedona Beauty Secrets transacts or has transacted business in this district and throughout the  
23 United States.
- 24 62. Defendant Bellaathome, LLC, is an Arizona limited liability company with its principal  
25 place of business at 7702 East Doubletree Ranch Road, Suite 300, Scottsdale, Arizona.  
26 Bellaathome transacts or has transacted business in this district and throughout the United  
27 States.
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1       63. Defendant SkinnyIQ, LLC, is an Arizona limited liability company with its principal place  
2       of business at 7702 East Doubletree Ranch Road, #300, Scottsdale, Arizona. SkinnyIQ  
3       transacts or has transacted business in this district and throughout the United States.

4       64. Defendant Body Tropical, LLC, is an Arizona limited liability company with its principal  
5       place of business at 7702 East Doubletree Ranch Road, #300, Scottsdale, Arizona. Body  
6       Tropical transacts or has transacted business in this district and throughout the United  
7       States.

8       65. Defendant Blair McNea directly or indirectly owns or controls all of the entities listed in  
9       Paragraphs 6-64 above (collectively, “Corporate Defendants”). He is the founder and CEO  
10      of Defendant RevGuard, the founder of Defendants RevMountain and Boulder Black  
11      Diamond, and the organizer of Defendants Anasazi Management Partners, Jasper Woods,  
12      Turtle Mountains, and Convertis. He also has signed corporate filings on behalf of  
13      Defendants Condor Canyon, Thunder Avenue, University & Folsom, and How and Why,  
14      and he is, or has been, a signatory to at least 73 of the operation’s bank accounts, including  
15      accounts for 12 now-defunct entities and 39 of the currently active Corporate Defendants.  
16      At all times material to this Complaint, acting alone or in concert with others, he has  
17      formulated, directed, controlled, had the authority to control, or participated in the acts and  
18      practices of the Corporate Defendants, including the acts and practices set forth in this  
19      Complaint. Defendant Blair McNea, in connection with the matters alleged herein, transacts  
20      or has transacted business in this district and throughout the United States.

21      66. Defendant Danielle Foss is senior vice president of Defendant Blue Rocket Brands. She has  
22      signed corporate filings on behalf of Defendants Bridge Ford, Absolutely Working, Flat Iron  
23      Avenue, Wave Rock, Salamonie River, How and Why, Condor Canyon, Sandstone Beach,  
24      Three Lakes, Mint House, and Doing What’s Possible. She is, or has been, a signatory to at  
25      least 30 of the operation’s bank accounts held by 22 of the Corporate Defendants. At all  
26      times material to this Complaint, acting alone or in concert with others, she has formulated,  
27      directed, controlled, had the authority to control, or participated in the acts and practices of

1 the Corporate Defendants, including the acts and practices set forth in this Complaint.  
2 Defendant Danielle Foss, in connection with the matters alleged herein, transacts or has  
3 transacted business in this district and throughout the United States.

4 67. Defendant Jennifer Johnson is the CEO of Defendant RevMountain. She has signed  
5 corporate filings on behalf of Defendants Salamonie River, Sandstone Beach, Desert Gecko,  
6 Brass Triangle, Indigo Systems, Greenville Creek, Thunder Avenue, Doing What's  
7 Possible, University & Folsom, ROIrunner, and RevMountain. She is, or has been, the  
8 signatory to at least 23 of the operation's bank accounts for 23 separate Corporate  
9 Defendants. At all times material to this Complaint, acting alone or in concert with others,  
10 she has formulated, directed, controlled, had the authority to control, or participated in the  
11 acts and practices of the Corporate Defendants, including the acts and practices set forth in  
12 this Complaint. Defendant Jennifer Johnson, in connection with the matters alleged herein,  
13 transacts or has transacted business in this district and throughout the United States.

14 **COMMON ENTERPRISE**

15 68. Since at least 2013, Defendants have conducted the business practices described below  
16 through an interrelated network of 78 companies that have common ownership, officers,  
17 managers, business functions, employees, office locations, and bank accounts. Defendants  
18 frequently create, and occasionally abandon, LLCs, leaving 59 currently active Corporate  
19 Defendants and 19 defunct LLCs in their corporate structure. Each Corporate Defendant  
20 plays a role – whether merchant entity, holding company, or service provider – in a unified  
21 continuity plan operation.

22 69. Defendants Blair McNea, Danielle Foss, and Jennifer Johnson serve as officers and  
23 organizers of many of the Corporate Defendants.

24 70. The Corporate Defendants share a single warehouse in Nevada and employ shared mailbox  
25 locations in several states that forward mail to two Boulder-area offices. Further, the  
26 companies commingle funds in corporate bank accounts, regularly transfer funds between  
27 corporate accounts, and use unified sales techniques.

71. Because the Corporate Defendants operate as a common enterprise, each of them is jointly and severally liable for the acts and practices alleged below.

72. Defendants Blair McNea, Danielle Foss, and Jennifer Johnson have formulated, directed, controlled, had the authority to control, or participated in the acts and practices of the Corporate Defendants that constitute the common enterprise.

## COMMERCE

73. At all times material to this Complaint, Defendants have maintained a substantial course of trade in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

## **DEFENDANTS' BUSINESS ACTIVITIES**

74. Since the mid-2000s, the Defendants have sold personal care products online through negative option marketing – charging consumers monthly for auto-shipments unless consumers take action to cancel.
75. Defendants obtain consumers’ credit-card information for these charges by enticing consumers to sign up for a low-cost “trial” product.
76. Among other goods, Defendants currently sell tooth-whitening products through negative option trial marketing under various names, including: Smile Vitalize, Smile Pro Direct, First Class Whitening, Whitening Coach, Action Pro, Bella at Home, and Innovation White.
77. Different Corporate Defendants fulfill different roles within the negative option operation, from credit-card processing to web services to product packing and shipping.
78. Defendants RevLive, RevGuard, RevMountain, RoadRunner B2C (d/b/a RevGo), and Blue Rocket Brands provide back-end support to Defendants’ scheme. RoadRunner/RevGo warehouses, packs, and ships Defendants’ products from the operation’s warehouse in Henderson, Nevada. RevGuard provides “A/B testing” for the merchant websites. RevMountain provides “traffic monetization.” RevLive! provides call centers to receive cancellation requests and complaints. Blue Rocket Brands manages the merchant entities.

1 79. Defendants Convertis, Convertis Marketing, Anasazi Management Partners, Turtle  
2 Mountains, Salamonie River, Honey Lake, Wave Rock, Condor Canyon, Juniper Solutions,  
3 Jasper Woods, Wheeler Peak Marketing, ROIrunner, Boulder Black Diamond, and Cherry  
4 Blitz hold central bank accounts used by the Defendants to move money and pay affiliate  
5 networks and other third-party vendors. These companies also act as intermediary holding  
6 companies in the operation's corporate structure.

7 80. Defendants Brass Triangle, Flat Iron Avenue, Indigo Systems, Solid Ice, Sandstone Beach,  
8 Absolutely Working, Three Lakes, Mint House, Thunder Avenue, Doing What's Possible,  
9 University & Folsom, Greenville Creek, Brookville Lane, Newport Crossing, Night Watch  
10 Group, Boulder Creek Internet Solutions, Bridge Ford, Walnut Street Marketing, How and  
11 Why, Desert Gecko, Snow Sale, Spruce River, Blizzard White, Action Pro White, Brand  
12 Force, Wild Farms, TrimXT, Elation White, IvoryPro, First Class Whitening, Spark  
13 Whitening, Titanwhite, Dental Pro At Home, Smile Pro Direct, Circle of Youth Skincare,  
14 DermaGlam, Sedona Beauty Secrets, Bellaathome, SkinnyIQ, and Body Tropical obtain  
15 merchant accounts to process consumers' credit-card payments and bank accounts to receive  
16 the credit-card settlements for purchases from Defendants' websites.

17 **Defendants' Websites**

18 81. Defendants own and operate at least 87 websites offering personal care products, including  
19 tooth-whitening products.

20 82. Many of Defendants' websites make trial offers associated with negative option plans.  
21 These websites include: whiteningcoach.com, firstclasswhitening.com, smileprodirect.com,  
22 smilevitalize.com, and titanwhite.com.

23 83. Defendants drive traffic to their trial-offer websites through "affiliate networks."  
24 "Affiliates," or advertisers, link to Defendants' websites from traffic generators such as blog  
25 posts, surveys, and banner advertisements.

26 84. For example, one affiliate network drove traffic to Defendants' trial-offer sites through  
27 emails inviting consumers to fill out "customer satisfaction surveys" for trusted merchants,

1 including department store Kohl's and online retailer Amazon. In fact, the surveys were not  
2 affiliated with these retailers. Their emails asked consumers to answer a series of questions  
3 about their "satisfaction" with the named retailers. At the end of the survey, the affiliate  
4 marketer offered consumers a choice of "rewards" for participating in the survey. In  
5 numerous instances, the affiliate directed consumers who clicked on the tooth-whitening  
6 reward to one of Defendants' websites offering trial products for \$1.03 plus shipping,  
7 including the sites listed in Paragraph 82.

8 85. Defendants pay their affiliate networks for each click or trial signup generated by the  
9 network's advertisements. For example, from January 2010 through October 2012,  
10 Defendants paid affiliate network Acquinity Interactive, LLC, \$31 to \$33 for each consumer  
11 who clicked through from an Acquinity advertisement and signed up for one of Defendants'  
12 \$1.03 trials.

13 86. In many instances, Defendants' websites have both a "back-door" landing page, displayed  
14 only when a consumer reaches the page through affiliate marketing links, and a "front-door"  
15 version displayed when a consumer navigates directly to the domain by typing in the URL  
16 or searching through a search engine.

17 87. The "front-door" versions of Defendants' sites generally do not offer trial products. In a  
18 few instances, the "front-door" sites offer the option to sign up for monthly billing and  
19 cancel at no cost within a short period, but the sites do not make trial offers. Defendants list  
20 the URLs for their "front-door" sites in their applications to banks for merchant accounts.

21 88. The "back-door" versions of Defendants' sites – the versions consumers actually see after  
22 clicking on an affiliate advertisement – invariably and prominently offer low-cost trials.

23 89. Defendants' "back-door" landing pages are substantially similar to one another. For  
24 example, landing pages for First Class Whitening, Whitening Coach, Titan White, and  
25 Smile Vitalize use the same text, graphics, and user interface.

26 90. These landing pages do not contain any information about recurring shipments or monthly  
27 charges for enrollment in a negative option continuity plan.

- 1       91. The back-door landing pages direct consumers to provide their address information in a  
2       section titled “TELL US WHERE TO SEND YOUR TRIAL TODAY!” The contact form  
3       has a large green “RUSH MY TRIAL” button at the bottom.
- 4       92. If consumers input their information, and click “Rush my Trial,” they are taken to a  
5       checkout page. The checkout page prominently displays information about the cost of the  
6       trial: “Price \$1.03; TOTAL \$1.03 + S&P.” The page directs consumers to enter their credit  
7       card information, and a large blue arrow directs them to click a blinking yellow “Complete  
8       Checkout.” The “Complete Checkout” button is the only button on the page.
- 9       93. At the bottom of the checkout page, below the blue arrow and blinking “Complete  
10      Checkout” button, there is a ten-line block of small-print gray text against a white  
11      background. The checkout page within each of Defendant’s “back-door” websites contains  
12      nearly identical text. For example, the text on the First Class Whitening payment page  
13      reads:

14           Risk Free Trial Terms and Conditions: 1. You must be 18 years old or older to  
15           participate in this Risk Free Trial. 2. You must use your own credit card or debit card.  
16           3. Start your Risk Free Trial now to receive a trial supply of First Class Whitening. You  
17           simply invest \$1.03, plus a S&P fee of up to \$3.87, to evaluate this great teeth whitening  
18           product for yourself. 4. Your credit card will be charged the selected S&P charge above.  
19           5. If First Class Whitening is not right for you, call 1-866-221-1656 within 8 days from  
20           your order date to cancel your trial and you owe nothing more. 6. By participating in the  
21           Risk Free Trial, you are getting the rate of \$94.31 a discount of 40% off of the normal  
22           retail price and you will be responsible for taking affirmative action during the Risk Free  
23           Trial period to avoid further charges outlined in How the Offer Works. 7. By clicking  
24           on the button above, you are agreeing to the terms and conditions in How the Offer  
25           Works, including the Arbitration and Waiver of Class Actions section. 8. You may call  
26           1-877-530-9637 anytime to contact customer service regarding your shipment.

- 27       94. If consumers scroll to the bottom of the page, past the checkout button, and click a link  
28       labeled “How the Offer Works,” a pop-up window is displayed that states, in the second  
   paragraph:

29           We'll enter you into our First Class Whitening Club. With the Club you'll get a package  
30           of First Class Whitening Teeth Whitening Pens so you can maintain your whiter teeth.  
31           (8) days from the date of order processing, unless you decide to take an action to cancel  
32           (by calling our customer service center at 1-877-530-9637 or  
33           www.FirstClassWhitening.com), we'll conveniently bill your credit card \$94.31 for the  
34           full 30 day First Class Whitening System. Plus, you'll also get a package of First Class

1 Whitening Teeth Whitening Pens about every 30 days. All this at the same monthly in-  
2 home price you paid for the original First Class Whitening System plus \$10.91 in  
shipping, conveniently billed to your credit card.

3 95. Defendants' other "back-door" landing pages contain the same text behind the same  
4 hyperlink, with only the product name, telephone number, trial length (usually 8 to 10 days,  
5 depending on the product), and cancellation URL changed.

6 96. Once consumers click "Complete Checkout" on the payment page, Defendants enroll them  
7 in a negative option plan. Consumers receive a month's supply of the tooth whitening  
8 product and Defendants charge them approximately \$100 every month unless and until they  
9 affirmatively cancel the plan.

10 97. Defendants begin charging consumers for monthly shipments approximately eight to ten  
11 days after consumers place the trial order (depending on the offer), even if the consumer has  
12 not yet received the "trial" product.

13 98. Consumers initially receive a single shipment containing two containers of tooth whitening  
14 product. One is the "trial" container, and the other is the first month's shipment under the  
15 negative option plan.

16 99. Even consumers who cancel the plan within the prescribed period after ordering the  
17 products are, in some instances, billed \$94.31 for the initial shipment unless they return the  
18 first shipment at their own expense.

19 100. Many consumers who click "Complete Checkout" to obtain a trial product do so without  
20 realizing that they will incur monthly charges.

21 **Upsell Offers**

22 101. In numerous instances, after consumers click "complete checkout" on the payment page  
23 as described in Paragraphs 92 to 95 above, Defendants' websites display an additional page.  
24 This page contains the name of the initial product in the upper left corner and displays an  
25 image that looks like a coupon for a different whitening product. Below the coupon image  
26 is the same block of gray text described in paragraph 93 above. Below the gray text is a  
27  
28

1 large yellow button labeled “Complete Checkout.” The “Complete Checkout” button is the  
2 only button on the page.

3 102. If consumers click the “Complete Checkout” button on this page, they receive a second  
4 trial tooth whitening product and are enrolled in a second negative option plan for an  
5 additional \$100 per month. Consumers who click the second “Complete Checkout” button  
6 will therefore receive two sets of tooth whitening solutions and have approximately \$200  
7 monthly billed to the credit card provided during the initial transaction.

8 103. The second “Complete Checkout” button appears to be a reconfirmation of consumers’  
9 original order, and nothing on the upsell page alerts consumers that clicking it will initiate a  
10 second order. Many consumers who click the second “Complete Checkout” button do not  
11 realize that clicking it will initiate a new transaction and enroll them in a second monthly  
12 billing program.

13 **VIOLATIONS OF THE FTC ACT**

14 104. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits “unfair or deceptive acts or  
15 practices in or affecting commerce.”

16 105. Misrepresentations or deceptive omissions of material fact constitute deceptive acts or  
17 practices prohibited by Section 5(a) of the FTC Act.

18 **COUNT I**

19 **Misrepresentation of the Price of Trial Offers**

20 106. In numerous instances, in connection with the advertising, marketing, promotion,  
21 offering for sale, or sale of tooth whitening products, Defendants represented, directly or  
22 indirectly, expressly or by implication, that: (a) Defendants will charge consumers only a  
23 nominal fee (*e.g.*, \$1.03) plus shipping and handling costs for a one-time trial shipment; and  
24 (b) clicking through Defendants’ pages will complete a single transaction for a single  
25 product.

26 107. In truth and in fact, in numerous instances, (a) Defendants charge consumers monthly  
27 fees of about \$100 per product in addition to the initial nominal fee and shipping costs, and

(b) clicking through Defendants' pages completes two transactions and enrolls consumers in monthly subscriptions for two separate products.

108. Therefore, Defendants' representations described in Paragraph 106 are false, and constitute a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

## **VIOLATIONS OF THE RESTORE ONLINE SHOPPERS' CONFIDENCE ACT**

109. In 2010, Congress passed the Restore Online Shoppers' Confidence Act, 15 U.S.C. §§ 8401 et seq., which became effective on December 29, 2010. Congress passed ROSCA because “[c]onsumer confidence is essential to the growth of online commerce. To continue its development as a marketplace, the Internet must provide consumers with clear, accurate information and give sellers an opportunity to fairly compete with one another for consumers' business.” Section 2 of ROSCA, 15 U.S.C. § 8401.

110. Section 4 of ROSCA, 15 U.S.C. § 8403, generally prohibits charging consumers for goods or services sold in transactions effected on the Internet through a negative option feature, as that term is defined in the Commission's Telemarketing Sales Rule ("TSR"), 16 C.F.R. § 310.2(w), unless the seller (1) clearly and conspicuously discloses all material terms of the transaction before obtaining the consumer's billing information, (2) obtains the consumer's express informed consent before making the charge, and (3) provides a simple mechanism to stop recurring charges. 15 U.S.C. § 8403.

111. The TSR defines a negative option feature as a provision in an offer or agreement to sell or provide any goods or services “under which the customer’s silence or failure to take an affirmative action to reject goods or services or to cancel the agreement is interpreted by the seller as acceptance of the offer.” 16 C.F.R. § 310.2(w).

112. As described in Paragraphs 74 to 103 above, Defendants have advertised and sold tooth whitening products through a negative option feature as defined by the TSR. 16 C.F.R. § 310.2(w).

1 113. Pursuant to Section 5 of ROSCA, 15 U.S.C. § 8404, a violation of ROSCA is a violation  
2 of a rule promulgated under Section 18 of the FTC Act, 15 U.S.C. § 57a.

3 **COUNT II**

4 **Illegal Negative Option Marketing**

5 114. In numerous instances, in connection with charging consumers for tooth whitening  
6 products sold in transactions effected on the Internet through a negative option feature,  
7 Defendants failed to:

- 8 a. clearly and conspicuously disclose all material terms of the transactions before  
9 obtaining the consumers' billing information, including: (i) the total cost of the  
10 transactions; (ii) that Defendants automatically enroll consumers in monthly negative  
11 option plans; (iii) that consumers must affirmatively cancel the plans to avoid  
12 charges; and
- 13 b. disclose before obtaining consumers' billing information that consumers who  
14 complete the transaction are purchasing two separate products with separate monthly  
15 negative option plans; and
- 16 c. obtain consumers' express informed consent before charging the consumers' credit  
17 cards, debit cards, bank accounts, or other financial accounts for products or services  
18 through such transactions.

19 115. Defendants' acts or practices, as described in Paragraph 114 above, violate Section 4 of  
20 ROSCA, 15 U.S.C. § 8403.

21 **CONSUMER INJURY**

22 116. Consumers have suffered and will continue to suffer substantial injury because of  
23 Defendants' violations of the FTC Act and ROSCA. In addition, Defendants have been  
24 unjustly enriched because of their unlawful acts or practices. Absent injunctive relief by  
25 this Court, Defendants are likely to continue to injure consumers, reap unjust enrichment,  
26 and harm the public interest.

1                   **THIS COURT'S POWER TO GRANT RELIEF**

2       117. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant  
3       injunctive and such other relief as the Court may deem appropriate to halt and redress  
4       violations of any provision of law enforced by the FTC. The Court, in the exercise of its  
5       equitable jurisdiction, may award ancillary relief, including rescission or reformation of  
6       contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies,  
7       to prevent and remedy any violation of any provision of law enforced by the FTC.

8                   **PRAAYER FOR RELIEF**

9       118. Wherefore, Plaintiff FTC, pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b),  
10      Section 5 of ROSCA, 15 U.S.C. § 8404, and the Court's own equitable powers, requests that  
11      the Court:

- 12     A. Enter a permanent injunction to prevent future violations of the FTC Act and  
13       ROSCA by Defendants;
- 14     B. Award such relief as the Court finds necessary to redress injury to consumers  
15       resulting from Defendants' violations of the FTC Act and ROSCA, including, but  
16       not limited to, rescission or reformation of contracts, restitution, the refund of  
17       monies paid, and the disgorgement of ill-gotten monies; and
- 18     C. Award Plaintiff the costs of bringing this action, as well as such other and additional  
19       relief as the Court may determine to be just and proper.

20  
21      Respectfully submitted this 24th day of July, 2017.

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